



Tourism..... In The Niagara Region



Report No.1

Economic Impact--Tourist Characteristics

Memo 984
October 12, 1983
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Memo to: Planning and Development Committee

From: Planning Staff

Re: TOURISM IN THE NIAGARA REGION
"Economic Impact and Tourism
Characteristics"

The attached report is the first from the Regional Tourism Study. Planning Department staff, with the assistance of a subcommittee set up by the Tourist Council, have been reviewing various aspects of tourism in Niagara. This report reviews some major aspects of the existing tourism industry, and later reports will consider likely changes in the tourism industry, and will discuss some aspects related to the 1983 tourism season. By putting the various reports together, ideas may be developed which can help to expand the area's tourism potential.

In recent years there has been a variety of studies on tourism in Niagara. What do these reports say? What can be learned from them? This report looks at 38 reports to obtain impressions about who visits this area, and the economic impacts of tourism. Unfortunately, the data were often sketchy, conflicting, and not very current. Different survey years and different questions to different groups meant that judgement and selectivity had to be frequently exercised in preparing this summary and report. Finally, the most recent Provincial data were not made available to us. One noticeable aspect of this report is the specific information provided on Niagara Falls which may not be representative of tourism in other parts of the Niagara Region. While other sources also were used where available, the future analysis of some recent summer surveys may provide some interesting information on tourism across the Niagara Region.

The following summary identifies the major conclusions which appeared from the review of these various studies.

HIGHLIGHTS (FOR NIAGARA-IROQUOIA TOURIST AREA)*

	Per Year
How many people visit Niagara-Iroquoia?	Approx. 14 million
How much employment is created by visitors?	About 52,000 jobs
Total expenditures derived from tourism (direct tourist spending plus spending on, and by, supporting services)	About \$1.7 billion

THE ECONOMIC IMPACT OF TOURISM

How Much Money Does Tourism Generate?

It is estimated that income from tourism is about \$1.7 billion (1981 dollar values) for the Niagara-Iroquoia Tourist Area. Although the Niagara-Iroquoia Tourist Area is larger than Regional Niagara, it is expected that much of these expenditures would occur within the Region.

How Much Employment Does Tourism Generate?

In the Niagara-Iroquoia Tourist Area, it appears that employment for about 52,000 people is created each year by tourism related expenditures.

How Much Do Tourists Spend, And On What?

On average, travellers to Niagara-Iroquoia spend almost \$60 per person-trip, as compared to nearly \$70 per person-trip in Ontario (figures are in 1981 dollar values).

Canadian travellers spend more per visitor than Americans perhaps due to combining their trip with shopping.

It appears that a smaller proportion of expenditures is spent on accommodation and food/beverages in Niagara-Iroquoia than in Ontario. However, a higher share is spent on amusement and recreation in Niagara-Iroquoia as compared to the Province.

*The Niagara-Iroquoia Tourist Area includes the Regions of Niagara and Hamilton-Wentworth, the Counties of Brant and Haldimand, and the City of Burlington.

What Types of Accommodation Are Used By Tourists?

The information available indicated that American visitors are more inclined to use hotels/motels/lodges whereas Canadians are more likely to stay in the homes of friends and relatives.

What are the Trends in the Hotel/Motel Occupancy Rates?

The occupancy rate high for "Festival Country"* was reached in Summer 1981 (84%) which was a return to levels previously enjoyed in the early 1970's. However, for Niagara Falls the occupancy rate high was reached in 1983 (88%) when it attained the same level experienced in 1973.

The average Winter (January) occupancy rate for Niagara Falls seems to be about 20%, although it has recently risen to a new high (24%).

NUMBERS AND ORIGINS OF TOURISTS

How Many Tourists Come to Niagara-Iroquoia?

The most recent estimate is about 14 million visitors per year. It appears that the highest levels of tourism occurred in the early 1970's, and after a fairly steady fall since 1973, tourism levels have recovered somewhat since 1980. Some of the upturn however may be due to Americans who came over in substantial numbers to buy gas, and for tourists attracted by the improved price advantages of travelling in Canada.

What Is The Seasonal Distribution of Tourists?

Over half of the annual visitors come between July and Labour Day and, in July and August, over 85% of the accommodation is occupied.

Where Do The Tourists Come From?

About half of the tourists come from the U.S., particularly from the Great Lakes States. About 40% of the tourists come from Ontario, especially from the Metropolitan Horseshoe. Quebec is the second most important Province as a source of Canadian visitors, and it appears that the proportion of Canadian visitors coming from Quebec has steadily but moderately increased in recent years.

* Festival Country (which includes the Niagara-Iroquoia Tourist Area) consists of the Regions of Niagara, Hamilton-Wentworth, Haldimand-Norfolk, Halton, and Waterloo, and the Counties of Brant, Wellington, and Dufferin.

PARTY AND TRIP CHARACTERISTICS

Who Comes to Niagara?

Families with children comprise about half the visitors and there is some evidence to suggest that parties visiting Niagara have a slightly larger number of children than those who visit elsewhere in Ontario. However, Niagara Falls may have an even larger number of children per party.

The average party size has decreased during the past decade although the size for Niagara Falls has remained high and does not seem to have changed much (about 3.6 people per car).

U.S. visitors tend to be more highly educated and of a higher income than Canadian visitors. Although Niagara Falls seems to attract blue collar workers, the income levels of these visitors do not differ greatly from visitors elsewhere in Niagara.

Are the Visits to Niagara Return Visits or First Time Visits?

First time visits comprise about 20% - 30% of trips in recent years but there has been an increasing proportion of return visits.

How Much Time Do Visitors Spend in Niagara?

The average length of stay in the Niagara Falls area in summer is between 1.3 and 1.5 nights, somewhat less than that for Ontario which appears to be between 2.0 and 2.5 nights. For Niagara-on-the-Lake, the average length of stay is 1.3 days in the Town, or a total of 2.1 days in the Region.

Why Do Visitors Come to Niagara
And What Do They See and Do?

Outdoor recreation, which for example includes camping and automobile touring, represented the largest main reason for visitor-trips in Ontario and Niagara. Visiting friends and relatives was a significant second reason.

Major activities participated in by Ontarians during weekend trips and vacation trips are similar except that weekenders do more touring whereas vacationers do more camping and boating. American visitors seem to participate in different activities from Ontarians, particularly frequenting historic sites, swimming, and doing specialized shopping (e.g. gifts).

Major Conclusions

From a tourism development standpoint, the following appear to be the most significant conclusions:

- . In terms of overall tourism levels, the number of tourists dropped somewhat during the late 1970's, and although it appears to have recovered somewhat during the 1980's, it has not yet reached earlier levels.
- . The tourism year is of course very seasonal with over half of the tourists visiting during the two summer months, and only about 10% of the visitors coming during the winter.
- . The average length of stay in Niagara is about one night less than that for the Province, primarily because of the large number of day trippers.
- . Although a large proportion of visits to Niagara Falls involve an overnight visit, a much smaller proportion of the visitors actually use accommodation in Niagara Falls.
- . There is a great variety of tourists to Niagara, with family sized parties (3-5 people) representing about 44% of the visitors. Singles and couples (1-2 people) and large parties (6+ people) respectively comprise about 38% and 18% of the market. The distribution of party sizes, therefore, suggests that a broad variety of tourist groups is attracted to the area.
- . Although American visitors tend to be wealthier than their Canadian counterparts, they tend to spend less while in the Niagara-Iroquoia Area. (Earlier data indicates differently, and we eagerly await more recent data than for 1976).

With the background available, subsequent reports look at the existing resources and opportunities on the tourism landscape, emerging trends, characteristics of the 1983 tourism season, and proposals for future expansion of the industry.

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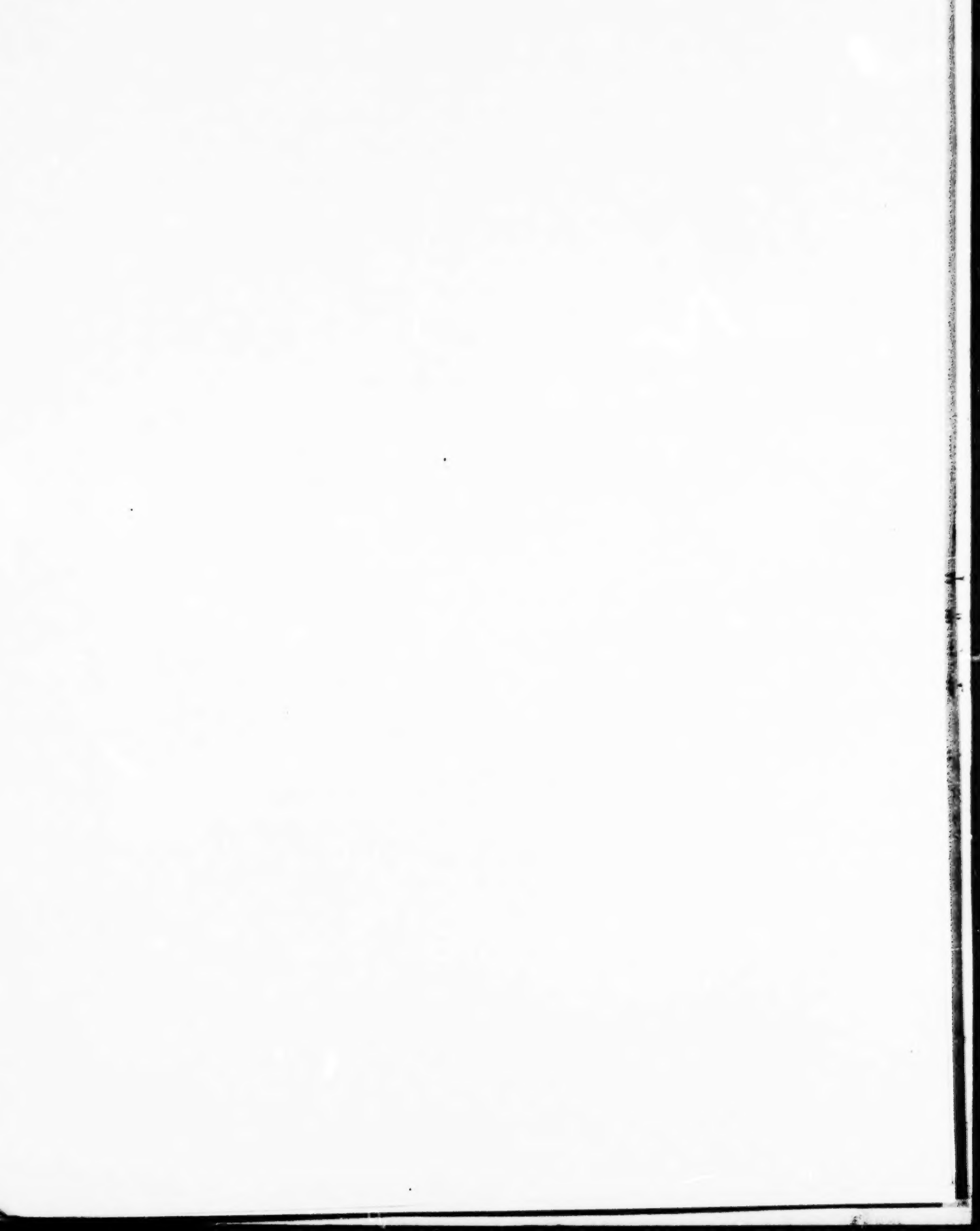
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TOURISM IN THE NIAGARA REGION
"Economic Impact and Tourist
Characteristics"

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Section 1

**INTRODUCTION
AND
TOURISM HISTORY**

a) Introduction

Tourism is big business in Niagara, creating considerable employment both directly (e.g. jobs in the accommodation and food service industries), and indirectly (e.g. jobs in businesses that provide support services to hotels, motels, and restaurants).

To develop a better understanding of this major economic sector, a review of the available statistical information was made. This report provides a description of the existing tourism industry and particularly of those aspects closely related to the demand for goods and services to travellers.

Before providing conclusions it should be emphasized that the data were often sketchy, conflicting, and not very current. Different survey years, different study periods (e.g. summer surveys, 12 month studies), different study areas (e.g. Festival Country, Niagara-Iroquoia, Niagara Region, local municipalities) and surveys which asked different questions to different groups of travellers (e.g. vacationers and all travellers, Americans, Canadians) all presented difficulties in developing conclusions. Finally, the most current Provincial data (1982 season) were not made available to us.

This report presents a summary of our conclusions based on the data.

b) History

The tourism industry in Niagara has developed around and added to the various images and experiences of the Peninsula. From the 17th Century the Falls and Gorge have been noted as one of nature's most magnificent displays of rugged beauty and grand design, a place that inspired "romantically atmospheric" and "sentimental" paintings. By the late 19th Century conscious efforts were being made to protect the quality of this experience through the Niagara Parks Commission. In contrast the Falls has also been a place where thrill seekers have crowded to watch the latest stunts and daredevils, in search of fame, contest Nature's might at the risk of death. In general, the Falls has been an area catering to the thrill seekers. The experiences provided included the adventure of the Maid of the Mist confronting the River current to the base of the cataract, the tunnel walk beneath the Falls, and the Spanish Aero Car above the whirlpool. In addition, the experience includes the unusual sites provided by the exhibits of the historical "Niagara Falls Museum", Louis Tussaud's English Wax Museum, Ripley's Believe It Or Not, the Crown Jewels Display, and views from skyscraper towers. Entertainment has also included places of fun and amusement such as Clifton Hill and Crystal Beach as well as the activities of the Shaw Festival and the many annual fairs and celebrations.

The Peninsula has also provided a window to our sometimes violent colonial history along the Niagara Frontier. Restored military fortresses and monuments have focused attention on images of disciplined, uniformed troops marshalled for the fierce and bloody battles of the War of 1812. This window to the past has also provided a look at 19th Century domestic architecture, with its images of loyalist refugees, stone craftsmen, frontier prosperity and faiths; as well as the historic remnants of the early man-made canals reflecting the aggressive local activities to spur the Peninsula economy.

Last but by no means least, the countryside with its row upon row of vineyards, orchards, and annual floral plumage has contributed to Niagara's image as a unique agricultural area in Canada. The scenery has also included grand engineering feats such as the hydro generating plants and the current Welland Canal with its massive ships of international calling making their way between the lakes.

Section 2

**ECONOMIC IMPACT
OF THE
TOURISM INDUSTRY**



a) How much income does tourism generate?

The tourism industry is similar to an export industry in that it provides a flow of dollars into an area, and its economic impact may be measured in terms of income and employment. In 1976 the Niagara-Iroquoia Tourist Area (i.e. Regions of Niagara and Hamilton-Wentworth, the Counties of Brant and Haldimand and the City of Burlington) attained twelve percent of the Province's tourist dollar expenditures (\$809.2 million in 1981 dollar values). The Province has estimated for Niagara-Iroquoia that for every \$1.00 of direct income provided by tourist expenditures, a total income of \$2.08 was produced (i.e. A TOTAL OF $\$2.08 \times \$809.2 = \$1,683.1$ MILLION IN 1981 DOLLAR VALUES WAS GENERATED BY TOURIST EXPENDITURES)*. Therefore, the income multiplier of 2.08 measures the effect of an initial \$1.00 of tourist expenditure as it travels through the local economy by the round of spending involved with the transactions between the tourists and merchants, the merchants and suppliers and the suppliers and producers, for all the above businesses. Thus, the total income generated would be more than twice the original transaction amount. By examining the income multipliers for the various classes of expenditures in tourism (as shown in Table 1) it is clear that different distributions of expenditure may generate different average income multipliers.

TABLE 1

INCOME MULTIPLIER GENERATED BY
TOURISM EXPENDITURE IN ONTARIO, 1976

<u>Every One Original*</u> <u>Dollar Spent In:</u>	<u>Generated Total</u> <u>Income Of:</u>
Accommodation	\$ 1.47
Food and Beverage	1.45
Amusement and Recreation	2.23
Public Transportation	1.55
Service Stations	2.47
Retail Sales and Miscellaneous	2.43
Average, All Sectors	\$ 1.88

* See Appendix 1
Source: Bibliography Item 6.

* The Lanmer-Fenco study reports a substantially lower figure for Niagara Falls (about \$230.8 million in 1981 dollars).

The Provincial average income multiplier is 1.88 as compared to the Regional figure of 2.08. The difference may be attributed to a larger proportion of the expenditures in Niagara being made for amusement and recreation which has a notably higher income multiplier than most other economic activities (see Table 3).

b) How much employment does tourism generate?

Similar to the income multiplier, the employment multiplier expresses the total employment generated by the direct employment created by initial tourist demands. In 1976, the Niagara-Iroquoia Tourist Area obtained twelve percent of the total man-years of Provincial employment generated by the direct income of tourist expenditures (31,431 man-years, where one man-year represents a full year's employment for an individual). It has been estimated for Niagara-Iroquoia that for every 1.0 man-year of employment generated by the initial expenditures of tourists, a total of 1.64 man-years of employment were generated in the Tourist Area (i.e. A TOTAL OF $1.64 \times 31,431 = 51,567$ MAN-YEARS*OF EMPLOYMENT WERE GENERATED BY TOURIST EXPENDITURES). Similar to the discussion on income multipliers, Table 2 provides the employment multipliers for various classes of expenditures in tourism; and it is clear that different distributions of expenditure may generate different average employment multipliers.

TABLE 2

EMPLOYMENT MULTIPLIER GENERATED BY
TOURISM EXPENDITURE IN ONTARIO, 1976

<u>For Every One Direct Man-Year*</u> <u>Of Employment Generated In:</u>	<u>The Direct, Indirect and Induced</u> <u>Man-Years of Employment Generated Were:</u>
Accommodation	1.39
Food and Beverage	1.37
Amusement and Recreation	1.40
Public Transportation	1.62
Service Stations	1.78
Retail Sales and Miscellaneous	1.76
Average, All Sectors	1.56

* See Appendix 1
Source: Bibliography Item 6.

* This seems to represent between 10% and 20% of the employed labour force in the area. For comparison it appears that about a third of the employed labour force works in manufacturing. The Lanmer-Fenco study reports a substantially lower figure for Niagara Falls (7720 jobs) which represents about 30% of the total employment in the City .

The slight difference between the Niagara and Provincial employment multipliers is probably due to differences in the types of expenditures made in the two areas.

c) How much do tourists spend, and on what?

As noted in Table 3, the total expenditure per person-trip in Niagara is smaller than that for the Province as a whole. Canadian travellers spend more per person-trip than U.S. visitors (\$67.97 for Canadians, \$42.11 for U.S. visitors)*. This may possibly be due to Canadians tending to combine trips and shopping. When expressed in constant dollars (1981 dollar values), U.S. visitors appear to be spending less per person-trip in Ontario as a whole, but more in Niagara than in previous years (about a 10% increase in spending in Niagara between 1971 and 1976 as compared to a 5% decrease in U.S. visitors expenditures in Ontario). Again, in constant dollars, Canadian travellers are spending more, both in Ontario as a whole and in Niagara.

TABLE 3
EXPENDITURES PER PERSON-TRIP*
(in 1981 dollar values)

	Ontario		Niagara-Iroquoia		Niagara Falls		St. Catharines		Niagara-on-the-Lake**	
Accommodation	\$ 9.22	14%	\$ 8.23	14%			\$ 5.61	23%	\$ 8.17	21%
Food and Beverages	18.38	27	16.98	29			6.75	28	22.72	57
Amusement and Recreation	5.82	9	8.25	14			2.30	10	5.45	14
Retail Sales and Miscellaneous	11.77	18	10.32	18	n/a		9.48	39	n/a	
Public Transportation	10.42	15	7.34	13			n/a		n/a	
Service Station	11.47	17	6.29	12			n/a		3.18	8
	\$67.08	100.0%	\$58.21	100.0%	\$16.42		\$24.14	100.0%	\$39.54	100.0%

*Whereas the data for Ontario and Niagara as a whole likely applies to an entire trip, the data for local municipalities likely represents expenditures for a portion of a trip or only those expenditures made within the municipality.

** Data pertains to expenditures in the Region. Expenditures in the Town were \$22.72.

Sources: Bibliography Items 9, 21, 26 and 28

* This is based on 1976 data. Earlier data would suggest a different conclusion.

The types of expenditures made by travellers in Ontario show that accommodation and food/beverage constitute 50% to 60% of total expenditures. In contrast, for Niagara, between 44% and 51% of expenditures are for accommodation and food/beverage. The data suggest that in the early 1970's U.S. visitors to Niagara spent a smaller proportion of their total expenditure on accommodation and service stations than visitors to Ontario as a whole. This likely reflects the higher incidence of day-trips and shorter visits to Niagara than to the Province as a whole. Furthermore, the large proportion of the total expenditures allocated to amusement and recreation (28%) indicates the trip purpose and inclination of U.S. travellers to Niagara.

The allocation of expenditures by travellers in Niagara is only available for two municipalities - St. Catharines and Niagara-on-the-Lake (see Table 3). The data show that, whereas travellers in Niagara as a whole and St. Catharines appear to spend a similar proportion of total expenditure on food and beverages (respectively 29% and 28%), visitors to Niagara-on-the-Lake spend a considerably larger share (57% - 62%). Furthermore, whereas 39% of expenditures in St. Catharines are for retail goods, travellers to the Peninsula spend on average close to 18%.

In short the above data suggest that visitors to Niagara-on-the-Lake spend a large proportion of their money on recreation (presumably largely due to the Shaw Festival) and related food and beverages. Meanwhile, St. Catharines retail sales figures suggest that it is a key shopping centre.

d) Accommodation

(a) What types of accommodation are used by tourists?

Throughout Ontario there is a variety of accommodation available to the traveller including cottages, the homes of friends and relatives, as well as different types of commercial campgrounds, tourist homes and motels, etc. The selection of any particular type of accommodation would depend upon the availability and price of different types, the preparation undertaken (e.g. trailers, campers, tents), and, of course, the preference of the traveller. In Ontario and in Niagara, American visitors are more inclined to use hotels/motels/lodges whereas Canadian travellers tend more to use the homes of friends and relatives (see Table 4). In Niagara Falls much higher proportions of the visitors who stay overnight, do so in hotels or motels.

TABLE 4
SELECTION OF ACCOMMODATION*

	Ontario		Niagara-Iroquoia		Niagara Falls
	U.S. Visitors	Ontario Travellers	U.S. Visitors	Ontario Travellers	
Hotel	7%	4%	) 42%	) 12%	23%
Motel	38	12			60
Lodge	2	-			-
House Keeping Cottage	4	8	4	n/a	-
Own Cottage	9	21	19	n/a	-
Campsite	13	21	10	11	10
Friends or Relatives Home	24	31	25	59	4
Other	4	2	1	n/a	1
Did Not State					2

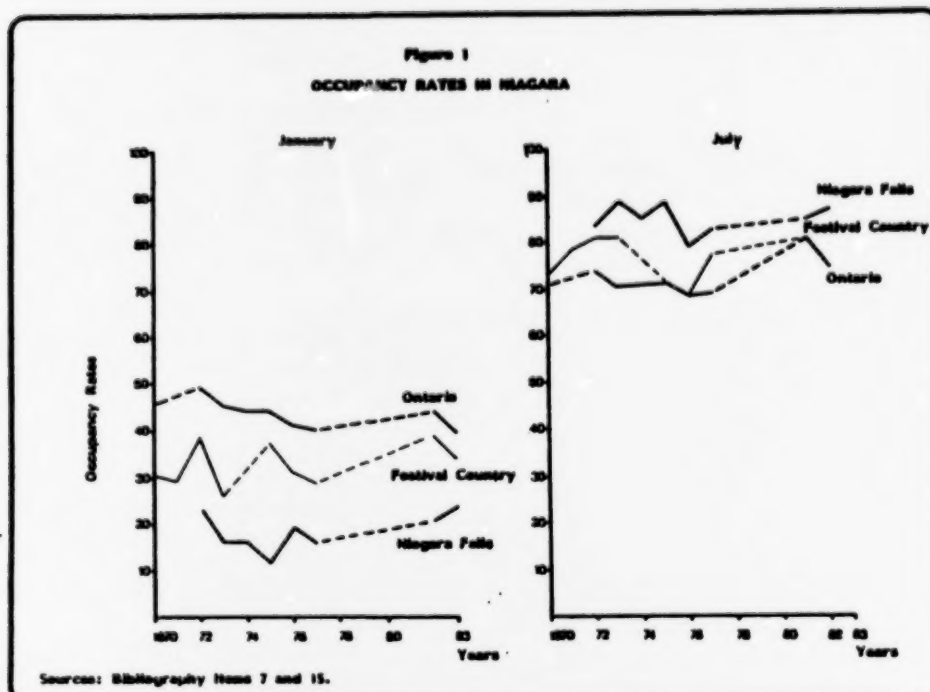
* For St. Catharines, Niagara-on-the-Lake, and Port Erie the proportion that stay overnight in hotels and motels are respectively 45%, 31%, and 46%.

Sources: Bibliography Items 8,12 and 25.

e) What are the Trends in "Occupancy Rates"?

The proportion of accommodation units occupied, or occupancy rates, indicate the relationship between the supply of commercial accommodation and the demand for those facilities. With regard to Niagara, data for Festival Country* and Niagara Falls have been used to indicate the trends noted in Figure 1.

* Festival Country (which includes the Niagara-Iroquoia Tourist Area) consists of the Regions of Niagara, Hamilton-Wentworth, Haldimand-Norfolk, Halton, and Waterloo, and the Counties of Wellington and Dufferin.



Although the historical high summer occupancy rate for Festival Country was achieved in 1981 (84%), it represented a return to previous occupancy rates enjoyed in the early 1970's. However, for Niagara Falls the occupancy rate was the highest in 1983 (88%), when it attained the same level experienced in 1973. The average winter (January) occupancy rate has been 29% for Festival Country and 20% for Niagara Falls. Overall, there appears to have been some increase in winter occupancy rates, but it would appear to be more of a recovery from decreases during the previous decade.

Section 3

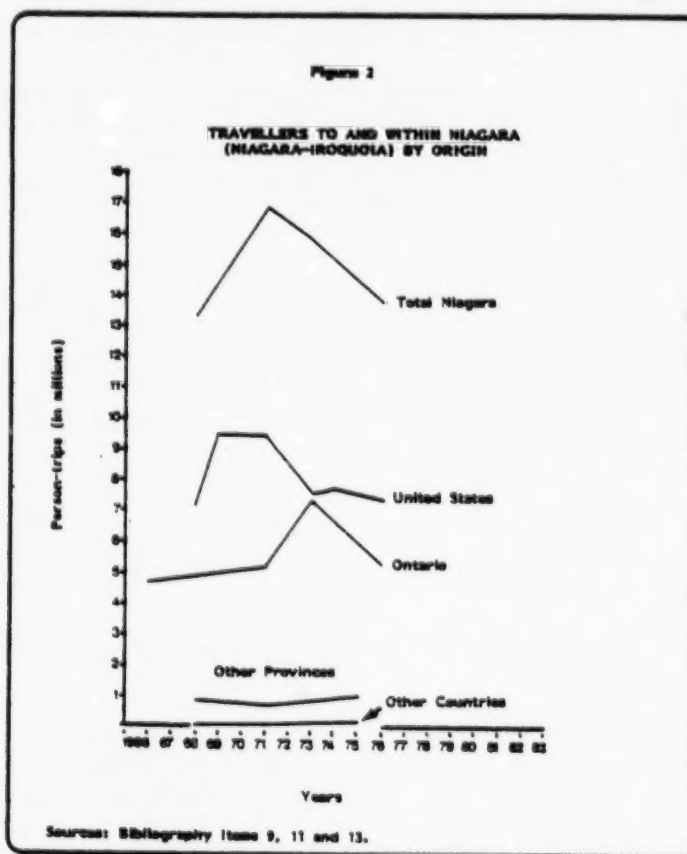
**NUMBER AND
ORIGINS
OF
TOURISTS**



a) How Many Tourists Come to Niagara?

The demand for goods and services such as hotel rooms and "people movers" required by travellers depends primarily upon the number of visitors and the number of travelling parties. Estimates of the number of tourists, therefore, are important in determining the requirements of the travelling public and emerging trends in the tourism industry.

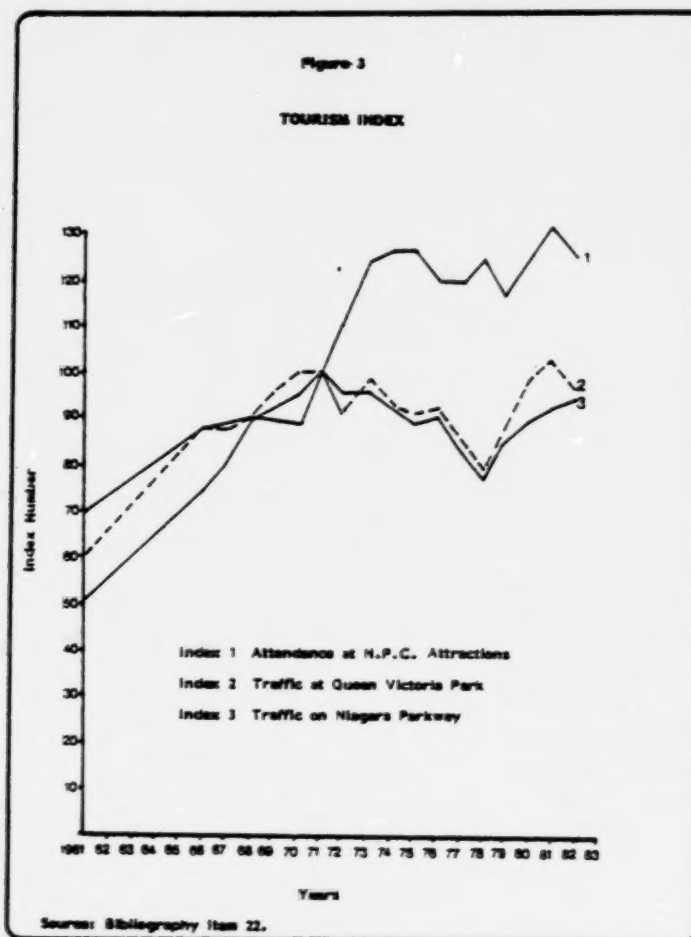
The latest available estimate of the number of travellers reports 13,900,000 person-trips* destined to the Niagara-Iroquoia Tourist Area** in 1976, representing 14% of the person-trips made to and within Ontario. Figure 2, which shows estimates of the number of travellers since the late 1960's, indicates that Niagara experienced its highest levels of tourism during the early 1970's; and there is little evidence to assume that the numbers of tourists have reached these previous highs again.



*Person-trips include all visitors from the U.S. as well as Canadian travellers whose destination is 25 miles or more (one-way) away from home, excluding daily travel from home to work, and commercial truck and transport operations.

**Niagara-Iroquoia Tourist Area includes the Regions of Niagara and Hamilton-Wentworth, the Counties of Brant and Haldimand, and the City of Burlington.

Of the three indices shown in Figure 3, only the traffic counts on the Niagara Parkway and Queen Victoria Park provide consistent indicators of tourism levels. The indices suggest a decline in the number of tourists during the 1970's with a low in 1978 but with somewhat of a recovery in the 1980's. By 1982, the number of visitors to Niagara seems to be 3 to 5% above the 1976 level. The index showing attendance at N.P.C. attractions, however, suggests that tourists are, on average, visiting more attractions.



A detailed analysis of the decline in Niagara's tourism volumes during the 1970's has not been undertaken. However, some reasonable explanations for this might include the general economic situation, especially changes in real income and employment, the relative costs of travelling in Canada as compared to the U.S., changing behavioural responses associated with higher gasoline costs and availability, and the appeal of other major attractions.

Based on Table 5 Niagara clearly attracted a larger share of the American travellers in Ontario (36% in 1976) than it has of Ontario resident travellers (8% in 1976). Furthermore, since 1973 the data suggest that Niagara's share of the American travellers has increased (33% in 1973 to 36% in 1976), while its share of Ontario resident travellers has decreased (13% in 1973 to 8% in 1976).

TABLE 5

PROPORTION OF TRAVELLERS IN ONTARIO
THAT VISIT NIAGARA, BY ORIGIN

<u>Origin</u>	<u>Percentage</u>
Ontario	8%
United States	36
Other Provinces	10
Other Countries	19

*Source: Bibliography Item 9

As expected, the level of tourism activity varies across the Region. Table 6 provides some available data on the number of visitors in some Niagara municipalities. Although these are somewhat dated, they do provide levels of magnitude, which may have changed during the intervening years.

TABLE 6

REPORTED NUMBER OF VISITORS
IN NIAGARA

<u>Location</u>	<u>Person-Trips</u>
Niagara-Iroquoia	13,900,000 (1976)
Niagara Falls	14,030,000 (1979)
St. Catharines	1,000,000 (1976/77)
Niagara-on-the-Lake	912,536 (1977)
Fort Erie	200,000+(1982)

Sources: Bibliography Items 9, 21, 26, and 28.

The data incorrectly suggest that Niagara Falls receives more travellers (tourists) than the much larger Niagara-Iroquoia Tourist Area. However, the data for Niagara-Iroquoia would tend to underestimate the number of visitors since it would not include those whose main destination was elsewhere (e.g. Toronto). Surprisingly, St. Catharines and Niagara-on-the-Lake have similar numbers of visitors. However, whereas Niagara-on-the-Lake provides historical attractions, St. Catharines is beside the Q.E.W. and the Welland Canal, serves as a Regional shopping centre, and its larger population would generate more visits to friends and relatives.

b) What is the Seasonal Distribution of Tourists?

Niagara's tourism is very seasonal in its magnitude. Table 7 notes the contrast among the four seasons based on traffic counts and accommodation occupancy. It clearly

TABLE 7

SEASONALITY OF TOURISM

	Number of Visitors ^a (Niagara Falls - 1980)	Available Accommodation (1982) ^b	
		Average Monthly Occupancy	Festival Country
Spring	21.6%	40.7%	50.7%
Summer	54.0	85.9	74.0
Fall	14.4	51.4	59.4
Winter	10.0	22.9	40.1
	100.0%		

^aSpring: April, May, June
Summer: July to Labour Day
Fall: Post Labour Day to October
Winter: November to March

^bSpring: April, May, June
Summer: July, August
Fall: September, October
Winter: November to March
Data pertains to units available, therefore, only establishments that were open for business would be included.

Sources: Bibliography Items 15 and 21.

shows that the summer months account for over half of the visitors whereas the winter accounts for only 10 percent. The occupancy rate data for hotels and motels indicates the same seasonal pattern. Niagara Falls therefore appears to be one of the most seasonal destinations in Southern Ontario.

c) Where Do the Tourists Come From?

Niagara Region of course (and particularly the Falls) attract people from all over the world. Figure 4 shows the sources of the visitors. The U.S. represents the major

Figure 4
ORIGIN OF TRAVELLERS
TO NIAGARA - IROQUOIA



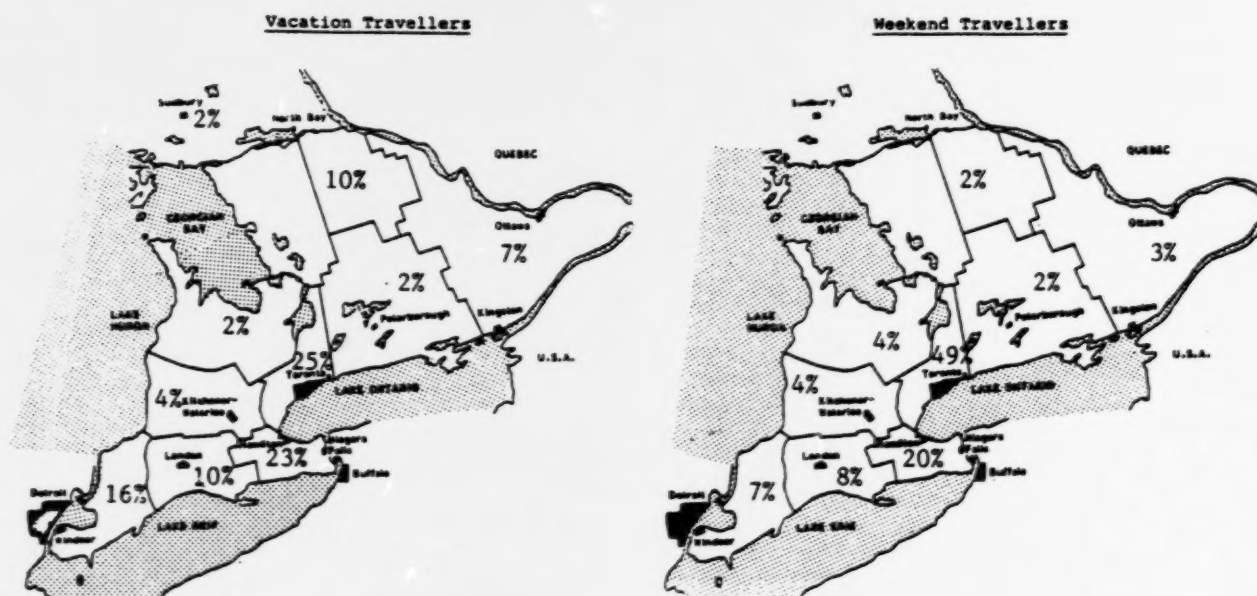
Sources: Bibliography Items 8, 9 and 23.

origin of tourists to Niagara (53%). Visitors from the U.S. come primarily from the Great Lakes States (60% to 80% of U.S. visitors). The proportion of tourists from New York State, however, is not clear. Whereas three reports for Niagara as a whole indicate that New York State is by far the most important state (50%-66%-74% of U.S. visitors), reports for Niagara Falls and St. Catharines provide lower values (22%-30%). Of course various firms in Niagara may have different proportions of tourists from those indicated above, and it appears that some firms have much higher proportions of travellers from Ontario.

The Province of Ontario represents a major origin of tourists to Niagara (38%) with the Metropolitan Horseshoe being the primary source (48% of vacation travellers and 69% weekend travellers as shown in Figure 5). Obviously this is due to its large population and closeness.

Figure 5 (revised)

ORIGIN OF ONTARIO RESIDENTS
VISITING NIAGARA - IROQUOIA



Source: Bibliography Item 8

The proportion of tourists from Canadian provinces other than Ontario is much smaller (7%). Based on data for Niagara Falls, Quebec is clearly the most important province outside of Ontario as an origin of Canadian resident tourists. In addition, Quebec's share of the Canadian tourists has increased over the recent past (i.e. increased from 9% to 16% in Niagara Falls since 1977).



Section 4

**PARTY
AND
TRIP
CHARACTERISTICS**



a) Who Comes to Niagara?

The data suggest that the visitor parties to Niagara are very similar to those for Ontario as a whole (Table 8)

TABLE 8
COMPARISON OF TRAVELLING PARTIES IN THE PROVINCE AND NIAGARA

	Ontario	Niagara-Iroquoia
Proportion of Visitor Parties That Are Families With Children	48% (Ont. 1975)	46% (Ont. Pre 1977)
Number of Adults Per Child	2.8 (U.S. 1973/74)	2.6 (U.S. 1973/74)

Sources: Bibliography Items 8, 9, and 13

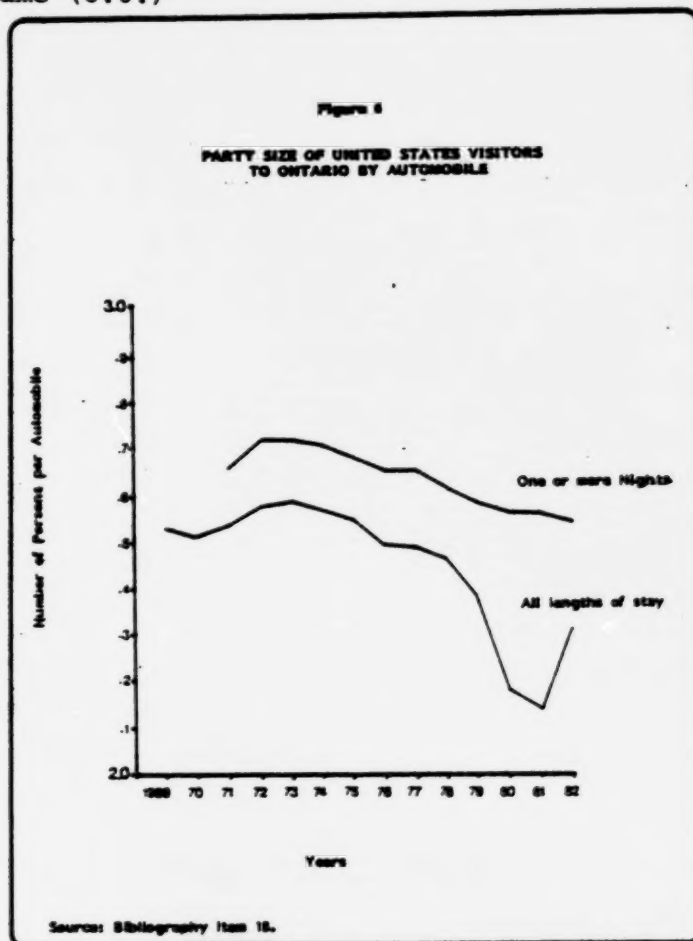
As indicated in Table 9, families with children represent an important share of the visitors to Niagara, and to Ontario as a whole. Niagara Falls may have an even larger number of children per party. However, an equally significant share of travelling parties is comprised of individuals, couples, and larger parties of 6 or more which are likely to be mostly adults. Most of these adults are married and slightly more than half are under 45 years of age.

TABLE 9
PARTY SIZE DISTRIBUTION IN NIAGARA-IROQUOIA

Number of People Per Party	Proportion of Parties
1 - 2	32 - 44%
3 - 5	39 - 48
6 +	17 - 20

Sources: Bibliography Items 2, 8, and 24.

During the previous decade the average party size has been decreasing. Figure 6 shows the average party size for U.S. visitors to Ontario by automobile (2.58 persons per automobile in 1973 and 2.31 in 1982). Recent information for Canadian travellers in Ontario also indicates a change to smaller party sizes. Although the data also suggest that the average party size for visitors to Niagara has fallen, it is surprising that this does not appear to have happened in Niagara Falls where the average people per automobile seems to have stayed about the same (3.6.)



A review was made of the education, occupation, and income of travellers to determine something about the socio-economic composition of visitors to Niagara. The data suggest that American visitors are more highly educated as indicated by the proportion who had college or university education (50% U.S. visitors, 31% Ontario travellers). The education data for visitors to Niagara Falls and St. Catharines show some similarities to travellers in Ontario as a whole; although, Niagara Falls seems to attract a somewhat larger proportion of visitors with formal education not extending beyond the Public or High School level (73% of visitors in Niagara Falls, 64% - 69% of travellers in Ontario).

The occupations of Ontario resident travellers (as shown in Table 10) are similar to those of U.S. visitors, although Americans tend to have a higher percentage of management/professional and white collar jobs. In contrast, Ontario resident travellers tend to be more blue collar workers.

TABLE 10
OCCUPATION OF TRAVELLERS IN ONTARIO

	Ontario Residents	United States Visitors
Management/Professional/ White Collar	29%	47%
Blue Collar	48	34

Sources: Bibliography Items 9 and 13

The occupations of travellers in Festival Country appear similar to those of travellers in Ontario as a whole as indicated in Table 11. However, it appears that Niagara Falls may receive a lower proportion of management/professional groups (24% of visitors in Niagara Falls are classified Administration and Technology, while 32% of U.S. visitors to Festival Country are classified management/professional). The uncertainty in the above conclusion is due to different occupation categories between surveys, and the high proportion of responses in Niagara Falls for which the occupation was not identified.

TABLE 11
OCCUPATION OF TRAVELLERS

	Ontario	U.S. Visitors
Management/Professional	34%	32%
White Collar	13	14
Blue Collar	34	36
Retired/Pensioners	6	) 18
other & Refusal	13	

Sources: Bibliography Items 12, 13 and 24.

The income levels of travellers in Ontario indicate that U.S. visitors may have higher incomes than Ontario resident travellers (59% of Ontario resident travellers had real incomes of \$18,400 or more in 1981 dollar values and 73% of U.S. visitors had incomes of \$19,000 or more). The incomes of visitors to Niagara appear similar to those travelling Ontario as a whole (see Table 12).

TABLE 12

INCOME OF VISITORS
TO NIAGARA
(in 1981 dollar values)

	<u>U.S. Visitors in</u>		<u>Visitors to</u>
	<u>Ontario</u>	<u>Niagara-Iroquoia</u>	<u>Niagara Falls</u>
\$12000	7-9%	7%	) 54%
\$12000-19900	16-18	20	
\$19900-29900	29-30	32	
\$29900-49800	29-31	29	) 46%
\$49800+	14-16	12	

Sources: Bibliography Items 9,12,13 and 24

With respect to Niagara Falls, it is interesting to note that although the visitors to the City are more likely to have blue collar occupations, their income levels are comparable to visitors to Niagara and to the Province as a whole.

b) Are the Visits to Niagara Return Visits or for the First Time?

Niagara obtains more first time tourists than Ontario as a whole and Niagara Falls represents the primary area of this type of visitor or trip in the Peninsula (20% to 30% of trips are first time visits). In relatively recent years Niagara Falls, Niagara-on-the-Lake, and Fort Erie have fairly similar proportions of first time tourists. Furthermore, the data suggest that the trend is towards a smaller proportion of tourists who represent first time visitors, indicating an increasing proportion of return visits.

c) How Much Time Do Visitors Spend In Niagara?

The average length of stay of American visitors in Ontario is somewhat similar to that for trips taken by Canadian residents (see Table 13).

TABLE 13

AVERAGE LENGTH OF STAY IN ONTARIO

	<u>Summer</u>	<u>Year</u>
Canadian	2.5 nights	2.1 days
Americans	2.0 nights	2.4 days

Sources: Bibliography Items 4,9,10 and 16

The length of stay of trips to Niagara is somewhat less than that for Ontario as a whole (in summer: 1.3 to 1.5 nights for Niagara Falls, and for visitors to Niagara-on-the-lake, 1.3 days in the Town or 2.1 days in the Region).

As shown in Figure 7, about a quarter of U.S. visitors to Ontario are on an overnight visit although this percentage appears much higher for Niagara Falls (see Table 14). In contrast about 65% of Ontario resident trips are overnight, but as indicated in Table 14, the proportion of visitors which stay overnight in Niagara is much lower. A first presumption is that Niagara Falls is more successful in encouraging American visitors to stay overnight than it is with Canadians who are predominantly day-trippers. However, not all these overnight visitors stay in Niagara Falls or even on the Canadian side of the Niagara River. One recent report estimates that of the 55% of visitors that have overnight trips in the area, only 38% of them stay within the City of Niagara Falls ($55\% \times 38\% = 21\%$ of the total visitors to Niagara Falls stay over-night in the City). Niagara Falls and Niagara-on-the-Lake have similar proportions of overnight trips in the area (e.g. in summer, 54% - 61% of visitors to Niagara Falls and 53% of visitors to Niagara-on-the-Lake).

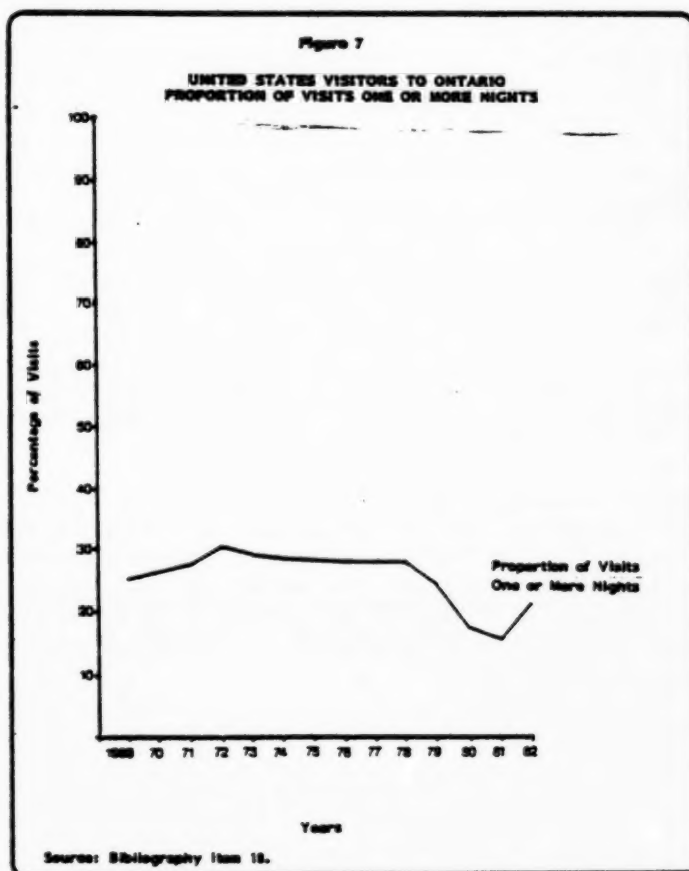


TABLE 14

PROPORTION OF VISITS ONE OR
MORE NIGHTS (approx.)

	<u>Ontario</u>	<u>Niagara-Iroquoia</u>	<u>Niagara Falls*</u>
Canadian Travellers	65%	47%	39 to 43%
American Visitors	28	20	67 to 70

*Whereas the Niagara Falls data would not distinguish overnight stays on either side of the border, the Ontario and Niagara data would not include overnight stays in the U.S.

Sources: Bibliography Items 13, 17, 18, 19 and 24.

The data suggest that day-trips represent a substantial proportion of trips to Niagara and to Niagara Falls. Although for the Niagara Falls area, about 45% of the visits are day-trips, a large proportion of the overnight stays in the area is not likely accommodated within the City. Tables 14 and 15 suggest that a substantial proportion of American visitors to the Falls return to the U.S. for accommodation, which would result in a much smaller proportion of overnight stays by Americans in Niagara Falls, Canada, than is indicated in Table 14.

In general during the past decade the data indicates that there has been an increasing proportion of day trips and a corresponding decline in the average length of stay.

An overall summary of visits to Niagara Falls is indicated in Table 15, which is based on data from the Lanmer-Fenco study. Although there is a number of simplifying assumptions that are made in the table, it clearly indicates the limited proportion of overnight visitors which can be accommodated in Niagara Falls.

TABLE 15

DAY TRIPS AND OVERNIGHT STAYS IN NIAGARA FALLS (in summer)

1. Estimated number of visitors to Niagara Falls	= 14,000,000 per year
2. Number of visitors who come during the summer	= (54% x 14,000,000) = 7,560,000 visitors
3. Number that stay overnight (assumption is that all those who stay overnight use commercial accommodation)	= (55% x 7,560,000) = 4,158,000 visitors
4. Capacity of Niagara Falls commercial accommodation based on one night's stay during the summer, assuming 3 people per unit.	= 8,200 x 3 x 54 = 1,574,400
5. Proportion that can stay overnight in Niagara Falls, Canada (based on above assumptions)	= $\frac{1,574,400}{4,158,000}$ = 38%
6. Number that stay overnight somewhere in the area (e.g. St. Catharines, Niagara Falls, New York, Fort Erie etc.)	4,158,000 (Based on 3 and 4 -1,574,400 above) = 2,583,600 = 62% of overnight visits
7. Number of day-trips to Niagara Falls area	= (45% x 7,560,000) = 3,402,000
8. Number of visitors to Niagara Falls that stay overnight in the City	= 1,574,400 (Based on 4 above, & 100% occupancy) = 21% of the total number of visitors during the summer
9. Total number of people who visit Niagara Falls, Canada on a daily basis	2,583,600 +3,402,000 = 5,985,600 = 79% of the total number of visitors

Source: Bibliography Item 21.

d) Why do Visitors come to Niagara
and what do they see and do?

A trip decision usually involves many reasons. When asked what was the main reason for travelling in Ontario the greatest number of Canadian and American travellers identified outdoor activities, although visiting friends and relatives also ranked highly, as shown in Table 16. In Niagara, the main outdoor recreational reasons for visiting included viewing Niagara Falls, camping, fishing, and boating, as well as sight-seeing in the countryside.

TABLE 16
MAIN REASON FOR VISITING*

	Ontario			Niagara-Iroquoia	
	<u>Ontario Residents</u>	<u>Americans</u>	<u>Other Countries</u>	<u>Ontario Residents</u>	<u>Americans</u>
Visiting Friends and Relatives	43%	18%	44%	n/a	18%
Outdoor Recreation	72	55	) 38	42-57%	50
Urban Activities	10	11		n/a	22
Other	11	16	18	n/a	10
	136%	100%	100%		100%

* Sums greater than 100 reflect more than one answer

Sources: Bibliography Items 8 and 13

A review of things which visitors did while in Niagara suggests that Canadian travellers may enjoy different activities than Americans as shown in Table 17.

TABLE 17
PROPORTION OF TIME SPENT BY ACTIVITY IN NIAGARA

	Ontario Residents		U.S.
	Vacation Trip	Weekend Trip	Visitors (Summer)
Swimming	n/a	n/a	15%
Boating	25	3	4
Fishing	10	5	4
Hiking	7	6	4
Picniking	n/a	n/a	6
Camping	22	16	n/a
Golf	*	4	4
Visit private/rented cottage	9	9	n/a
Sporting Event	*	3	9
Special Event	1	2	4
Live Theatre/Concert	*	3	n/a
Visit Historic Site or Display	3	5	21
Visit Museum/Art Gallery	2	4	9
Zoo/Botanical Garden/Nature Display or Tour	7	9	3
Recreational driving/touring	12	28	n/a
Specialized Shopping (gift or souvenirs)	n/a	n/a	14
Other	2	3	3
*less than 1%	100%	100%	100%

Sources: Bibliography Items 8 and 13.

Furthermore, vacation trips made by Ontario residents to Niagara are more likely to involve boating, fishing, and camping, whereas weekend trips are more likely to include recreational driving and touring. American visitors seem to participate in different activities from Ontarians, particularly frequenting historic sites, swimming, and doing specialized shopping (e.g. gifts).

Section 5

CONCLUSIONS

Despite data limitations and sometimes inconsistent findings from various reports, the preceding sections have contained a synthesis of the major conclusions which emerge about the tourist industry in Niagara during the past decade. Although the historical development of tourism and the types of images upon which it was based were only briefly touched on, its importance should not be underestimated as it provides the reason why visitors are attracted to the area.

From a tourist development standpoint, the following appear to be the most significant conclusions from the report:

- . In terms of overall tourism levels, the number of tourists dropped somewhat during the late 1970's, and although it appears to have recovered somewhat during the 1980's, it has not yet reached earlier levels.
- . The tourism year is of course very seasonal with over half of the tourists visiting during the two summer months, and only about 10% of the visitors coming during the winter.
- . The average length of stay in Niagara is about one night less than that for the Province, primarily because of the large number of day trippers.
- . Although a large proportion of visits to Niagara Falls involve an overnight visit, a much smaller proportion of the visitors actually use accommodation in Niagara Falls.
- . There is a great variety of tourists to Niagara, with family sized parties (3-5 people) representing about 44% of the visitors. Singles and couples (1-2 people) and large parties (6+ people) respectively comprise about 38% and 18% of the market. The distribution of party sizes therefore suggests that a broad variety of tourist groups is attracted to the area.
- . Although American visitors tend to be wealthier than their Canadian counterparts, they tend to spend less while in the Niagara-Iroquoia Area. (Earlier data indicates differently, and we eagerly await more recent data than for 1976).

Thus although the data were limited, the above conclusions do identify important aspects of the tourist market, and some areas in which the performance of the tourism industry might be improved.

Appendix 1

1. Accommodation: Expenditure made in regards to commercial accommodation rooms/units, which includes campsites and trailer park sites (municipal, provincial or natural), and rental of private vacation cottage.
2. Food/Beverage: Pertains to expenditure made on restaurant meals, groceries and beverages (including food and/or beverage portion of accommodation bills) during trip by all visitor origins. Also includes spending by Ontario residents only, on groceries/beverages in preparation for trip.
3. Service Stations: Expenditure made on auto gas/oil/maintenance, including auto rental/taxi, during trip, by all visitor origins. Also includes spending on above by Ontario residents only in preparation for trip.
4. Amusement/ Recreation: Expenditure made on such as sporting events, theatres, night clubs, golfing fees, hunting/fishing licenses, boating expenses, provincial parks daily user fees, etc.
5. Retail Sales & Miscellaneous: Expenditure on souvenirs, gifts, film, clothing, etc., including personal services (laundry, barber, etc.), made during trip only.
6. Public Transportation: Expenditure on plane, bus, train and boat fares, and pertains to Canadian carriers only.

Source: Ontario Ministry of Industry and Tourism.
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